

## Message Text

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ORIGIN STR-04

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DRAFTED BY STR/JWALSH:JAS

APPROVED BY STR/GFEKETEKUTY

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P 202328Z JAN 76

FM SECSTATE WASHDC

TO USDEL MTN GENEVA PRIORITY PRIORITY

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E.O. 11652: GDS

TAGS: ETRD, MTN

SUBJECT:

REF: MTN GENEVA 09447, 00262

1. ONE COPY OF THE LATEST TSUSA BTN, BTN-TSUSA CONCORDANCE WILL BE SENT TO MTN GENEVA IMMEDIATELY. STR (GARLAND) HAS APPROVED GIVING EC COPY OF DRAFT CONSOLIDATED SCHEDULE XX ON AN INFORMAL BASIS, ON SAME CONDITIONS AS COPY GIVEN TO CANADA.

2. USITC (BOYD) HAS REQUESTED THAT IN ADDITION TO THE QUALIFYING STATEMENTS ATTACHED TO THE TSUSA-BTN CONCORDANCE THE FOLLOWING BE NOTED. THE LATEST CONCORDANCE IS DATED JANUARY 1, 1974. IT IS PRELIMINARY. THERE HAVE BEEN MANY CHANGES SINCE THEN. A COMPLETE REVISION WILL BE AVAILABLE AROUND MID YEAR. AS PRESENTLY SET UP, THE CONCORDANCE IS A 7-DIGIT TSUSA TO BTN CONCORDANCE. IF THE TSUSA DATA IS COLLAPSED TO A 5-DIGIT TSUS-BTN CONCORDANCE, THE RESULTS WILL NOT BE CORRECT. IF A TSUS-BTN CONCORDANCE IS DESIRED, THE RATES MUST BE REDONE USING TSUSA (7-DIGIT) TRADE DATA, WHICH USITC IS WILLING TO SEND TO GATT SECRETARIAT ON MAGNETIC TAPE, IF SO REQUESTED.

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3. THE REST OF THIS CABLE ANSWERS THE OTHER QUESTIONS RAISED BY PARAGRAPH NUMBER AND RAISES SOME QUESTIONS FOR THE EC.

1A. THE AVE'S IN THE USTRIF ARE, AS A RULE, BASED ON DUTIES COLLECTED IN THE LATEST PERIOD FOR WHICH DATA IS AVAILABLE WHETHER FOR PART OF THE CURRENT YEAR OR FOR A PAST YEAR. IF THERE IS NO INFORMATION AVAILABLE FOR PAST OR CURRENT YEARS, U.S. WHOLESALE PRICES ARE USED AS SUBSTITUTES OR, IF ALL ELSE FAILS, THE AVE IS ESTIMATED USING AN AVE OF A SIMILAR PRODUCT.

4. ACCORDING TO BOYD, THE EXPLANATORY NOTES FOR THE TRIF ARE 95 PERCENT COMPLETE AND SHOULD BE FULLY COMPLETE BY JUNE 1976.

5. THE CTIP VOTED ONLY TO UPDATE THE TRIF TO 1972. USG WILL UPDATE THE TRIF TO INCORPORATE OTHER YEARS DATA IF THE CTIP SO VOTES.

1D. THE FREIGHT AND INSURANCE COSTS ARE REPORTED ON EACH INVOICE AS WELL AS THE FAS VALUE (AS OPPOSED TO THE CUSTOMS VALUE OF ASP OR FINAL LIST ITEMS). CIF ADJUSTMENT FACTORS ARE BASED ON THE FAS VALUE AND FREIGHT AND INSURANCE COSTS REPORTED ON THE INVOICE.

1E. DUTY ON SHIP REPAIR. ACCORDING TO GENERAL COUNSEL DUTY RATES ON REPAIRS AND REPAIR EQUIPMENT FOR VESSELS IS SET AT 50 PERCENT AD VALOREM BY SPECIAL STATUTORY PROVISION, SECTION 466 OF TARIFF ACT OF 1930, CODIFIED AT 19 U.S.C. 257. SUCH DUTIES ARE EXPLICITLY EXCLUDED FROM TSUS BY TSUS GENERAL HEADNOTE 5(E), AND ARE NOT COVERED BY ITEM 806.20. THE PRESIDENT DOES NOT HAVE AUTHORITY UNDER SECTION 101 OF THE TRADE ACT TO MODIFY THE DUTY ON SHIP REPAIRS AND REPAIR EQUIPMENT, WHICH CAN ONLY BE DONE BY LEGISLATION. ACCORDINGLY, SECTION 102 PROCEDURES ARE THE APPROPRIATE MEANS OF IMPLEMENTING ANY AGREEMENT TO MODIFY THE SHIP REPAIR DUTY, SO THAT ITS CONSIDERATION IS MORE NEARLY A MATTER FOR THE NTM GROUP THAN THE TARIFF GROUP.  
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ADDITIONAL REFERENCE: MTN GENEVA 00262, PARA 2.

6. QUESTIONS FOR THE EC: ARE THE UNIT VALUE BASED AVE'S TO BE REPORTED BY STATISTICAL CLASSIFICATION (NIMEX) OR TARIFF CLASSIFICATION (CET). ARE THE UNITS OF QUANTITY USED TO CALCULATE THE AVE'S STATISTICAL UNITS OF QUANTITY OR TARIFF (CUSTOMS) UNIT OF QUANTITY.

WHAT UNIT OF VALUE IS USED TO CALCULATE THE AVE'S? CURRENT  
US DOLLARS? EUR'S? IF EUR'S, WILL EC PROVIDE THE PAR  
VALUE CONVERSION FACTORS FOR EACH COUNTRY? HOW WERE  
BASKET CATEGORIES HANDLED? HOW WERE UNIT VALUES CALCU-

LATED FOR NO TRADE ITEMS? HOW ARE SUSPENDED DUTIES  
SHOWN? SISCO

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 JAN 1976  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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